

News Release

CERRO GRANDE MINING CORPORATION

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FOR IMMEDIATE RELEASE – February 26, 2016

Cerro Grande Mining Corporation Provides Further Update Regarding Filing of its 2015 Disclosure Documents

Toronto, Ontario, Canada – Cerro Grande Mining Corporation (the “**Company**” or “**CEG**”) (CSE:CEG) (OTCQB:CEGMF) is providing its second bi-weekly status report in accordance with National Policy 12-203 - *Cease Trade Orders for Continuous Disclosure Defaults* (“NP 12-203”). On January 27, 2016, then by way of this News Release the Company announced (the **Default Announcement**) that it will not be able to file its annual Financial Statements, annual MD&A and related CEO and CFO certifications for the fiscal year ended September 30, 2015 and its first quarter Financial Statements, first quarter MD & A and related CEO and CFO certificates for its first fiscal quarter ended December 31, 2015 (collectively, the **2015 Disclosure Documents**), within the period prescribed for the filing of such documents under Part 6 of National Instrument 51-102 *Continuous Disclosure Obligations* and under Part 4 of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, namely within 120 days of year-end being January 28, 2016 and February 29, 2016 with respect to the filing of the Company’s first fiscal quarter ended December 31, 2015 Disclosure Documents.

As a result of this delay in the filing of the 2015 Disclosure Documents, the Ontario Securities Commission (the “**OSC**”) issued a management cease trade order (the **MCTO**) on February 4, 2016 against CEG's Chief Executive Officer and Chief Financial Officer, as distinguished from a general cease trade order against the Company. The MCTO prohibits all trading in securities of the Company, whether directly or indirectly, by the Company's Chief Executive Officer and Chief Financial Officer until two full business days following receipt by the OSC of the 2015 Disclosure

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Documents. The MCTO does not affect the ability of shareholders who are not insiders of the Company to trade their securities. However, the applicable Canadian securities regulatory authorities could determine, in their discretion, that it would be appropriate to issue a general cease trade order against the Company affecting all of the securities of the Company.

The Company's board and management continue to work expeditiously to meet its obligations relating to the filing of the 2015 Disclosure Documents. The difference on the trial balance has been identified and corrected and the statements are being finalized over the next day with the understanding that the auditors are now able to complete all their audit field work as well as complete their internally required audit file reviews. An audit committee and board meeting has been scheduled for Friday, March 4th to receive and approve the issuance and filing of the year end documents, as well as approve for issuance and filing of the Company's first fiscal quarter ending December 31, 2015.

Pursuant to the provisions of the alternative information guidelines specified in Section 4.4 of NP 12-203, the Company reports that since the Default Announcement:

- There have been no material changes to the information contained in the Default Announcement;
- There have been no failures by the Company to fulfil its stated intentions with respect to satisfying the provisions of the alternative reporting guidelines;
- There has not been, nor is there anticipated to be, any specified default subsequent to the default which is the subject of the Default Announcement; and
- There is no other material information respecting the Company's affairs that has not been generally disclosed.

Until the 2015 Disclosure Documents have been filed, the Company intends to continue to satisfy the provisions of the alternative information guidelines specified in Section 4.4 of NP 12-203 by issuing bi-weekly default status reports in the form of further press releases, which will also be filed on SEDAR. The Company expects to file, to the extent applicable, its next default status report on or about March 11, 2016.

For further information, please contact:

Stephen W. Houghton

Chief Executive Officer

The Company is a minerals producing, exploration and development company with properties and activities currently focused in Chile.

Cautionary Statement on Forward-Looking Information

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This news release contains certain “forward-looking information” as such term is defined under applicable Canadian securities laws. All disclosure herein, other than information regarding historical fact, regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions or courses of action, including any future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection, is forward looking information. The forward- looking information contained in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. With respect to the forward-looking information contained in this news release, the Company has made assumptions regarding its ability to complete the Financial Statements and MD&A in a timely manner. The forward-looking information contained in this news release is subject to a number of risks and uncertainties that may cause actual results or events to differ materially from current expectations. Any forward-looking information speaks only as of the date on which It is made and, except as may be required by applicable law, the Company disclaims any obligation to update or modify such forward-looking information, either because of new information, future events or for any other reason.